

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) For Authority to, Among Other Things, Increase Its Authorized Revenues For Electric Service in 2006, And to Reflect That Increase in Rates.

Application 04-12-014
(Filed December 21, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING
ON NOTICES OF INTENT TO CLAIM COMPENSATION**

1. Summary

Article 5 of the Public Utilities Code¹ provides for compensation to public utility customers for reasonable advocate's fees, reasonable expert witness fees, and other reasonable costs of participation or intervention in any proceeding of the Commission. Pursuant to § 1804(a), the Greenlining Institute (Greenlining), Aglet Consumer Alliance (Aglet), and The Utility Reform Network (TURN) have each filed a notice of intent (NOI) to claim such compensation. There were no responses by other parties. This ruling determines that Greenlining, Aglet and TURN are eligible for compensation in this proceeding.

2. Timeliness of Filing

Under § 1804(a)(1), "[a] customer who intends to seek an award under this article shall, within 30 days after the prehearing conference is held, file and serve on all parties to the proceeding a notice of intent to claim compensation."

¹ All statutory references are to the Public Utilities Code.

The prehearing conference was held on February 18, 2005. Greenlining filed its NOI on March 4, 2005; Aglet filed its NOI on March 7, 2005; and TURN filed its NOI on March 17, 2005. Each of the NOIs was therefore timely filed.

3. Customer Status

To be eligible for compensation, a participant in a formal Commission proceeding must establish that it is a “customer” according to one of three definitional categories set forth in § 1802(b)(1):

“Customer” means any of the following:

- (A) A participant representing consumers, customers, or subscribers of any electrical, gas, telephone, telegraph, or water corporation that is subject to the jurisdiction of the commission.
- (B) A representative who has been authorized by a customer.
- (C) A representative of a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential customers, or to represent small commercial customers who receive bundled electric service from an electrical corporation.

Decision (D.) 98-04-059 (Conclusion of Law 5) requires a participant seeking compensation to explain how it meets the definition of customer. Greenlining, Aglet, and TURN each claim customer status under Category (C) as defined above. Each has previously submitted copies of its articles of incorporation and/or bylaws authorizing it to represent interests of residential customers or small commercial customers. Each has provided relevant information indicating that its vast majority of members are residential customers. Each has previously been determined to be a customer under this category. This ruling affirms that Greenlining, Aglet, and TURN are customers as defined by § 1802(b)(1)(C).

4. Interests Represented

The Commission has directed customers to address whether they will be representing customer interests that would otherwise be underrepresented, as described in D.98-04-059² and § 1801.3(f).

Greenlining states that it represents the perspectives, experiences, and interests of minority, low-income, inner city, and other vulnerable and underserved communities—that is, those with little to no disposable income who will be most deeply affected by energy rate increases. Greenlining indicates it will seek to coordinate with other intervenors to avoid duplication of effort and to assist in the Commission's efforts to protect consumers.

Aglet states that it and TURN are the only intervenors that will act specifically on behalf of residential and small commercial customers, since the Office of Ratepayer Advocates (ORA) acts on behalf of all customers and must balance its positions when large and small customers might not agree. Aglet states that it has conferred with ORA and TURN regarding the material issues identified in the proceeding thus far, and intends to continue that cooperation, in order to minimize duplication of effort regarding issues of concern to residential and small commercial customers.

TURN states that, while it and ORA both represent ratepayer interests, TURN only represents the interests of core customers. TURN further states that it will coordinate, as much as possible, with ORA, Aglet, and other intervenors in order to avoid unnecessary duplication of effort.

Greenlining, Aglet, and TURN have adequately addressed the Commission's NOI requirement to discuss their representation of interests. The

² D.98-04-059, *mimeo.*, pp. 27-28 and Finding of Fact 13.

parties' intentions to work cooperatively are noted, and they are reminded that substantial duplication of effort could potentially lead to a reduction in any award of compensation for which they might otherwise be entitled.

**5. Nature and Extent of Planned Participation;
Estimate of Compensation**

Section 1804(a)(2)(A) requires that the NOI include both a statement of the nature and extent of a customer's planned participation and an itemized estimate of the compensation that the customer expects to request. Greenlining, Aglet, and TURN have each provided the required information.

Greenlining states that it will: (1) evaluate and suggest improvements to Southern California Edison Company's (SCE) customer service programs, with an emphasis on low-income, minority and limited-English speaking customers; (2) seek to ensure that SCE provide safe and reliable service to its customers at a reasonable cost, keeping the needs of low-income and other vulnerable consumers in mind; (3) address past and present issues relating to misreporting information to the Commission and customers in a manner that affects rates and service; and (4) seek to represent low-income and non-English speaking consumers of energy services, in general. This includes an examination of the diversity of SCE's workforce, SCE's supplier diversity record, the compensation of SCE's executives, and SCE's philanthropic contributions, and the impact of these three areas on SCE's rates and ability to serve its customers. Greenlining has provided an itemized \$259,750 estimate of compensation that it expects to request in this proceeding.

Aglet states its intention to participate actively by conducting discovery, preparing testimony, defending its testimony in hearings, cross-examining other witnesses, and filing of briefs, comments, and other necessary pleadings. Aglet expects to focus its work on the following issues: utility financial strength,

customer service expenses, customer accounts expenses, and post-test year ratemaking. Aglet indicates it may address other issues as the proceeding unfolds. Aglet has provided an itemized \$101,240 estimate of compensation that it expects to request in this proceeding.

TURN states that it expects to be an active party in this proceeding and intends to conduct discovery, file testimony, participate in hearings, and file any necessary pleadings. While reserving the right to narrow its focus or address other issues, TURN states it will address major issues related to Operation and Maintenance expenses, depreciation expenses, capital costs, post test year revenue requirement escalation, and service quality standards. TURN has provided an itemized \$459,750 estimate of compensation that it expects to request in this proceeding.

The above estimates of compensation do not appear to be unrealistic for extensive participation in a major general rate case. Under § 1804(c), after issuance of a final order or decision in this proceeding, an eligible customer may request an award of compensation by including at a minimum a detailed description of services and expenditures and a description of the customer's substantial contribution to the hearing or proceeding. Pursuant to § 1804(e), if the Commission finds that the customer requesting compensation has made a substantial contribution, it will determine the amount of compensation to be paid to the customer.

6. Significant Financial Hardship

Under § 1804(a)(2)(B), a showing of significant financial hardship may be made in the NOI or deferred until the request for compensation is filed.

Pursuant to § 1804 (b)(1), a finding of significant financial hardship shall create a

rebuttable presumption of eligibility for compensation in other Commission proceedings commencing within one year of the date of that finding.

In its NOI, Aglet has included a showing of financial hardship. Aglet asserts that the economic interests of its individual members are small in comparison to the costs of effective participation in this proceeding because typical residential bills are on the order of \$1,200 annually, which is less than Aglet's estimated cost of participation in the proceeding. None of Aglet's current members is a large commercial or industrial customer that might use great quantities of energy. Aglet has shown significant financial hardship in connection with its participation in this proceeding.

SCE's application was filed on December 21, 2004. On April 1, 2004, Greenlining received a finding of significant financial hardship in Investigation 04-02-007, creating a rebuttable presumption of eligibility in this case. On July 27, 2004, TURN received a finding of significant financial hardship in Rulemaking 04-04-003, also creating a rebuttable presumption of eligibility in this case. There were no responses to either of these presumptions of eligibility.

IT IS RULED that:

1. The Greenlining Institute (Greenlining), Aglet Consumer Alliance (Aglet), and The Utility Reform Network (TURN) timely filed notices of intent to claim compensation in this proceeding.
2. Greenlining, Aglet, and TURN are customers as defined by § 1802(b)(1)(C).
3. Greenlining, Aglet, and TURN have each fulfilled the requirements of § 1804(a)(2)(A) by providing statements of the nature and extent of their planned participation and itemized estimates of the compensation they expect to request.
4. Aglet has made a showing of significant financial hardship in connection with its participation in this proceeding.

5. Significant financial hardship for Greenlining and TURN has been shown by rebuttable presumptions of eligibility based upon earlier findings of significant financial hardship.

6. Greenlining, Aglet, and TURN are eligible for compensation in this proceeding.

Dated April 8, 2005, at San Francisco, California.

/s/ DAVID K. FUKUTOME

David K. Fukutome
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have this day served the attached Administrative Law Judge's Ruling on Notices of Intent to Claim Compensation on all parties of record in this proceeding or their attorneys of record by electronic mail to those who provided electronic mail addresses, and by U.S. mail to those who did not provide electronic mail addresses.

Dated April 8, 2005, at San Francisco, California.

/s/ KE HUANG

Ke Huang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.